



**MINISTRY OF AGRICULTURE, LAND & FISHERIES
OFFICE OF PERMANENT SECRETARY**

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AGR: 18/1/54 Vol. IV

December 04, 2019

Ms. Jacqui Sampson-Meiguel

Clerk of the House
Office of the Parliament
Level G-9, Tower D
International Waterfront Centre
1A Wrightson Road
Port of Spain



Dear Ms. Jacqui Sampson-Meiguel,

Re: The Twentieth Report of the Public Accounts (Enterprises) Committee on the Examination of the Audited Accounts, Balance Sheets and other Financial Statements of the Palo Seco Agricultural Enterprises Limited (PSAEL) for the financial years 2012 to 2017

Your letter of September 26, 2019 refers.

Please see attached responses from the Ministry of Agriculture Land and Fisheries to the recommendations outlined in *the Twentieth Report of the Public Accounts (Enterprises) Committee on the Examination of the Audited Accounts, Balance Sheets and other Financial Statements of the Palo Seco Agricultural Enterprises Limited (PSAEL) for the financial years 2012 to 2017*. The Ministry apologizes for the late submission.

Should you require any further information, your office may contact Ms. Susan Shurland, Permanent Secretary, at **220-6253 ext. 4199** or via email at fpps@gov.tt.

Sincerely,


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f/ PERMANENT SECRETARY

Response of the Ministry of Agriculture, Land and Fisheries to the Twentieth Report of the Public Accounts (Enterprises) Committee on the Examination of the Audited Accounts, Balance Sheets and other Financial Statements of the Palo Seco Agricultural Enterprises Limited (PSAEL) for the financial years 2012 – 2017

Summary of Recommendations and Responses

- 1) Palo Seco Agricultural Enterprises Limited (PSAEL) should ensure that its goals and objectives are formulated in line with its new mandate and submit a status update on the review and amendment of the Strategic Plan which best reflects the company's new mandate to the Parliament no later than November 30, 2019;**

Response

Pursuant to the Public Accounts (Enterprises) Committee (PAEC) meeting in March 13, 2019 the PSAEL's financial and human resources have declined significantly. As a result, the review of the Company's Strategic Plan which was conducted in house was discontinued. A consultant will have to be hired to conduct the exercise. As a result of the scope of this recommendation and activity, PSAEL is requesting of the PAEC additional time to provide an update on the Strategic Plan.

- 2) The Ministry of Finance, Investments Division (MOF-ID) should formulate a team of representatives from the PSAEL, Ministry of Agriculture, Land and Fisheries (MALF), Heritage Petroleum Company Limited inclusive of the MOFD-ID, so that each organization is kept duly informed when it comes to land transfer matters such as decision making, resource requirements, process accomplishments and any deadlines that may arise and submit a status on this team development to Parliament no later than November 30, 2019;**

Response

Proposed measures to effect this recommendation will be reported on by the MOF-ID who has responsibility for the same.

- 3) With respect to the lands which will be retained by the PSAEL once 3, 725 Acres have been transferred to Heritage Petroleum Company Limited, PSAEL should ensure that the 1, 397 Acres remaining are properly demarcated and outlined for specific uses so that there are designated areas where lands can only be used for a singular purpose in an attempt to prevent sporadic distributions of land use;**

Response

On January 25, 2018 the decision was taken at a Board of Directors meeting to survey PSAEL freehold lands. However, as a result of PSAEL's financial position the exercise was not undertaken.

- 4) **PSAEL should also revise its land use plan and land policy to ensure that it properly reflects and documents the different zoned areas of PSAEL's lands. A status update on this initiative should be submitted to the Parliament no later than November 30, 2019;**

Response

The Twentieth Report of the PAEC on the Examination of the Audited Accounts, Balance Sheets and other Financial Statements of the PSAEL for the financial years 2012 to 2017 recorded incorrectly that PSAEL has a Land Use Plan. At the meeting held on March 13, 2019, it was verbally conveyed that PSAEL has a Land Policy and that policy recommends the preparation of a Land Use Plan.

A Land Use Plan for PSAEL lands was not prepared since this is subject to the conduct of surveys of the freehold land holdings and completion of the formal transfer of it 3, 725 Acres vested in Heritage Petroleum Company Limited. Only when this is completed PSAEL can determine the location of its residual assets. The land usage that can be determined at this time is the existing usages established over time on PSAEL's unencumbered acreages as well as acreages issued via Leases and Licenses.

PSAEL can submit a rough estimate of the existing land usage of its 5, 122 Acres which existed prior to the passage of the Miscellaneous Provisions (Heritage Petroleum, Paria Fuel Trading and Guaracara Refining Vesting) Act No. 17 of 2018. The submission of PSAEL's Land Use Plan of its residual assets will be subjected to the conduct of surveys and the formal transfer of the vested assets as stated above. A timeframe for this activity cannot be provided.

PSAEL will conduct an in house review of its Land Policy, however PSAEL is requesting of the PAEC additional time to complete this exercise.

- 5) **Given that PSAEL's new mandate allows for the continued provision of land management services, PSAEL should enhance its marketing strategies as a way of attracting new and potential land-owners/clients who require land management services whether it be to private entities or to other state agencies and submitted a status update on the marketing strategies and the revenue received from the marketing strategies to the Parliament no later than November 30, 2019;**

Response

At present the PSAEL does not have the in house capacity to treat with the establishment of a marketing plan and strategy. The marketing plan will also be dependent on PSAEL's land policy which is subject to change consistent with the recent vesting legislations. PSAEL is requesting of the PAEC additional time to provide feedback on its marketing strategies.

- 6) **Upon the granting and receipt of a Mining License by the Ministry of Energy and Energy Industries (MEEI), PSAEL should establish a viable and sustainable business plan to ensure profitability and longevity consistent with Mining License and Mineral Act Chapter 61:03;**

Response

PSAEL's Mining Licence expired on November 6, 2019 and in keeping with the requirements of the previous License Agreement an application was made to the Ministry of Energy and Energy Industries for a renewal. No feedback on this application has been provided at this time.

PSAEL currently does not have the in house expertise to prepare the required business plan at this time since certain information on the quality and quantity of potential tar sands as well as the capability of the mining site, among others are required to facilitate preparation of same.

- 7) **With respect to the 125 squatters who are eligible for regularization in accordance with the State Land (Regularisation of Tenure) Act, Chap. 57:05, PSAEL should continue its efforts of pursuing avenues that will determine the land entitlements of each eligible squatter which should improve the regularisation process and allow for the effortless issuance of licenses, leases and certificates of comfort;**
- 8) **For the 53 persons who cannot be regularized, PSAEL should look at the possibility of land sales/leases as a means of generating some form of income from having those squatter illegally occupy their lands;**

Response

PSAEL has continued in its efforts at regularizing informal occupants on its landholdings which consist of former statutory tenants and the estimated 125 squatters. The company has also pursued the sale of its land assets.

- 9) **To effectively contain and prevent any more squatting on PSAEL's land, the company should re-establish a land security team that should not only continuously survey the lands, but should also document existing squatter activities, discourage persons from attempting new encroachments. This**

team should be sufficiently resourced to not only police the lands but should also be equipped with machine that could remove new constructions if persons do not want to cease and desist from squatting;

Response

PSAEL does not have a land security team as reported in the Twentieth Report of the PAEC on the Examination of the Audited Accounts, Balance Sheets and other Financial Statements of the PSAEL for the financial years 2012 to 2017. A joint meeting was held with the Ministry of Finance and the Ministry of Agriculture, Land and Fisheries in an effort to treat with the land enforcement issues affecting PSAEL. However no resolution has resulted.

- 10) PSAEL should conduct a survey of its land and identify whether or not the 178 squatters identified truly illegally occupy thirty (30%) percent of their lands and submit a report of the findings to the Parliament no later than November 30, 2019;**

Response

A survey of PSAEL lands cannot be conducted at this time as a result of the existing financial constraints.

- 11) As a means of ensuring that all tenants timely pay their rental fees, the PSAEL should conduct annual rental and renewal drives as a way of allowing tenants or their representatives to come in and payoff of any outstanding payments. In the event that the current tenant/lessee is unable to continue payments proceedings should be undertaken that would transfer the rental payments to an able-bodied person still residing in the country;**

Response

PSAEL has recently conducted a rent review exercise of its statutory tenants towards updating all outstanding rents. Furthermore as it relates to the lease renewal drives, a previous exercise was conducted which resulted in a determination of PSAEL's expired tenancies. PSAEL has been treating with the renewal of leases by granting interim licenses pending Cabinet's approval of new leases.

- 12) PSAEL should continue to pursue any and all statutory means available to them that will allow them to recover as much outstanding sums due to them from the Ministries and Statutory Agencies that continue to owe PSAEL.**

Response

PSAEL has been continuously pursuing recovery of bad debts with limited success. The company has been able to recover outstanding sums from the

Community Improvement Services Limited (CISL) and the Ministry of Works and Transport to date.